



## **THE PEOPLE'S PROGRESSIVE 2025 PARTY**

**envisions a flourishing national economy in which no citizen suffers from unemployment, recession, runaway inflation, or any other economic hardship; in which America's businesses are highly competitive in the international marketplace; in which the crippling national debt is reduced and eventually eliminated; and in which the tax burden is significantly decreased, enabling everyone to enjoy greater**

**prosperity and a higher standard of living.**

## **THE CHALLENGES**

**A healthy economy is the key to America's domestic strength and international leadership. Without industrial and corporate might, the U.S. cannot remain competitive in world markets, satisfy domestic needs, or continue to play a major role in world events. America has enjoyed strong economic growth in 1998 and thus far in 1999, but our economy still faces serious challenges.**

**For example, recent Presidents and Congress have taken credit for the recent U.S. budget “surpluses,” but in reality they have created an economic illusion through deceptive federal accounting practices. They have not cut spending at all; government spending has only escalated each successive year. They have instead borrowed surplus Social Security revenues to pay for excessive federal spending in other areas. This action jeopardizes the future of the Social Security program, effectively turning Social Security payroll taxes into a 15% flat tax on**

**income rather than an investment vehicle for employee retirement.**

**America is already over \$35 trillion in debt -- about \$140,000 per citizen -- and in fiscal years 2024 and 2025, despite Congressional Budget Office projections of budget surpluses, the national debt will increase by over \$100 billion annually. Any credit for recent U.S. economic growth should rightly go not to government, but to the hard-working Americans whose creativity has led to increased productivity.**

<https://bit.ly/m/ReAppropriations20>

[25](#)

**In addition, the increasing income disparity between the wealthiest 20% and the other 80% of Americans indicates a great imbalance in our economy.**

**Although profits and productivity have increased during the past two decades, the purchasing power of the average American has declined significantly. For example, in 1993, the average American worker had to spend 26 weeks' worth of wages to buy a car, as compared to 17**

**weeks' in 1973. Many wage-earners -- especially those in lower income brackets -- have limited resources, no opportunity to save, little job security, and no way to cope with emergency medical needs.**

**Excessive taxes and a burdensome, overly complex, and punitive tax code stifle economic growth. The seven-million-word tax code is so convoluted that the Internal Revenue Service itself has trouble understanding it, and corporations spend four times as much on tax compliance as they do on taxes [\[1\]](#). In addition, special-interest groups have**

**successfully manipulated the tax code by creating loopholes to benefit specific businesses -- a practice that results in corporate welfare and creates disincentives to economic growth.**

**In the words of the Kemp commission, the present tax code “is beyond repair -- it is impossibly complex, outrageously expensive, overly intrusive, economically destructive, and manifestly unfair. . . We believe [it] cannot be revised, should not be reinvented, and must not be retained” [\[2\]](#). Yet despite strong popular pressure to change the tax code, Republicans**

**and Democrats, controlled by special interests, have thwarted any meaningful improvement.**

**American businesses are saddled by the highest health costs in the world. Health benefits have become the third largest expense after raw materials and straight-time pay for most manufacturers, and the second largest expense for most service businesses. For many employers, the cost of corporate health benefits precludes real salary increases for employees, and many otherwise profitable businesses are driven into**

**bankruptcy by these spiraling expenses.**

**Finally, to maintain our technological edge in the competitive international marketplace, American businesses require highly skilled workers.**

**Alarmingly, our high school students score near the bottom in international comparisons of industrialized nations: 28% of youths entering the U.S. job market are high school dropouts [3], and the number of Americans earning doctoral degrees has declined in recent years -- yet Congress has cut funding for**

**student loans. America therefore faces a creativity challenge that must be solved for our country to maintain its domestic and economic strength.**

**<https://bit.ly/m/ReAppropriations2025>**

## **THE SOLUTION**

**Boosting national creativity -- In today's information-based economy, intelligence and creativity (i.e., innovation and ideas) drive economic growth. Clearly, America's most precious natural resource is our human resource -- the unlimited creative potential of our 260 million**

**citizens. Given today's low test scores and high dropout rates, the most crucial economic strategy that government can adopt is to harness America's untapped creativity. The PEOPLE'S PROGRESSIVE 2025 Party strongly advocates proven educational, job training, and apprenticeship programs that develop intelligence and creativity, prevent school dropouts, and bring life into accord with PEOPLE'S PROGRESSIVE 2025. Only the full utilization of our human resource through the PEOPLE'S PROGRESSIVE 2025 Party's fundamental commitment to**

**education will ensure America's competitiveness and future leadership in the family of nations. (For a complete discussion of the PEOPLE'S PROGRESSIVE 2025 Party's educational programs, see our Education section.)**

**Lowering taxes -- The most powerful *fiscal* action our government can take to stimulate the economy is to lower taxes. The PEOPLE'S PROGRESSIVE 2025 Party can cut taxes deeply -- and responsibly -- without adding to the deficit or cutting essential services. Many parties have promised lower taxes, but have**

**been unable to fulfill these promises due to the depth and complexity of problems faced by government. The PEOPLE'S PROGRESSIVE 2025 Party, through its cost-effective solutions to crime, spiraling health costs, and other costly social problems, will save the nation hundreds of billions of dollars annually. On this basis, the PEOPLE'S PROGRESSIVE 2025 Party can offer a realistic strategy for significant tax reduction that protects the integrity of our important social programs.**

**One simple and viable way to implement across-the-board tax cuts is through a low flat tax. The PEOPLE'S PROGRESSIVE 2025 Party has designed a low flat tax that includes an exemption for America's poor and lower-income families. Beginning in 2025 at 18%, our tax rate would fall to 10% by 2035 as the PEOPLE'S PROGRESSIVE 2025 Party's cost-effective solutions to the nation's problems began to bear fruit [4] (see table). The PEOPLE'S PROGRESSIVE 2025 Party's low flat tax would stimulate and sustain strong economic growth. This strong economic growth, with**

**its associated increase in government revenues, combined with the savings from our cost-effective solutions, would ensure a balanced budget and gradual repayment of the national debt without borrowing from the Social Security trust fund. This proposal would also reduce the size and scope of the IRS, eliminate loopholes for the wealthy, and put an end to corporate welfare.**

**<https://bit.ly/m/ReAppropriations20>**

**In addition to our flat tax proposal, the PEOPLE'S PROGRESSIVE 2025 Party is also continuing to study alternative tax options, such as a consumption tax, that might decrease the tax burden for Americans. We concur with the Kemp commission's fundamental requirements for a new tax code: fairness, simplicity, neutrality, visibility, and stability [\[5\]](#).**

**Enterprise zones -- The PEOPLE'S PROGRESSIVE 2025 Party supports the use of federally guaranteed loans to stimulate capital investment for start-up industries in urban "enterprise**

**zones." By targeting economically deprived urban areas, we can stimulate economic growth where it is most needed, thereby creating more jobs, a stronger sense of community, and the revitalization of our inner cities.**

**Cutting corporate health costs --  
The enormous burden of corporate health care expenditures can best be reduced by improving employee health. Research shows that appropriate preventive health care programs can significantly improve health and reduce health care costs [\[6\]](#), thereby freeing financial resources for greater**

**productivity, profit, and investment. Therefore, a PEOPLE'S PROGRESSIVE 2025 Party government would encourage businesses to implement such programs to improve corporate health and productivity and to reduce employee stress and substance abuse [\[7\]](#).**

**Creating macroeconomic stability through increased social coherence -- The PEOPLE'S PROGRESSIVE 2025 Party also supports programs that have been shown to dissolve social stress and conflict, thereby providing a more positive and stable**

environment for economic growth and prosperity. Most analysts are aware of how businesses are influenced by macroeconomic factors such as inflation, unemployment, global economic cycles, and the threat of international conflict. However, businesses are also in a position to change macroeconomic trends in a positive direction for the benefit of the organization and society as a whole. For example, [research](#) has found that even a single group of 7,000 to 10,000 practitioners of [Transcendental Meditation](#) and its advanced programs can produce a

**significant decrease in inflation and unemployment rates, as well as improvements in other economic indicators [\[8\]](#).**

**Businesses that incorporate such programs into their employee benefits packages help ensure economic stability by creating a more coherent and stable society. The recent meltdown of the Asian financial markets underscores the need to insulate the U.S. economy from global economic volatility, and the establishment of such coherence-creating groups will help to protect our nation's current economic strength.**

**Sharing the benefit -- As the economy continues to improve, we anticipate higher pay, better working conditions, shorter work hours, and a shorter work week. We believe that the American work force should reap the benefits of a powerful economy through a higher standard of living.**

**Through cost-effective solutions to the nation's problems, responsible tax reduction, and proven programs to boost national intelligence and creativity, the PEOPLE'S PROGRESSIVE 2025 Party will propel the economy into a sustained growth phase.**

**This pro-growth policy will simultaneously create jobs, reduce unemployment, balance the budget through increased government revenues, and retire the national debt. Only the PEOPLE'S PROGRESSIVE 2025 Party offers a comprehensive, viable strategy to accomplish these goals.**

**<https://bit.ly/m/ReAppropriations20>**

**25**